



LA SEDA DE BARCELONA

AGREEMENT PROPOSALS



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FIRST:

To approve the individual and consolidated Annual Accounts and the individual and consolidated management report of LA SEDA DE BARCELONA, S.A., according to how they have been formulated by the Company's Board of Directors in its meeting of March 31st, 2010. To approve, as well, the social management corresponding to the financial year of 2009.

SECOND:

To apply the Company's result corresponding to the year 2009 after the execution of the agreement adopted by the Extraordinary General Shareholders Meeting held on December 17th, 2009 as the agenda's fourth item, which is, losses for € 57.373K, to "negative results of previous financial years".

THIRD:

To appoint Mr. Carlos Soria Sendra as an independent Director from today and during a five years period.

FOURTH:

To appoint Mr. José Luis Riera Andrés as an external Director ("other externals") from today and during a five years period.

FIFTH:

To appoint the auditory company [...], with address in [...], CIF [...], registered in the Commercial Register of [...] and ROAC with number [...], as the external auditors so that they can begin examining and checking the annual accounts and management reports of La Seda de Barcelona S.A. and its consolidated societies, during a three year period; this means for the financial years of 2010, 2011 y 2012.

Information about this subject: The subjective data corresponding to the auditory company will be completed according what it is agreed by the Shareholders.

SIXTH:

To delegate in the Company's Board of Directors, according to the article 319 of the Commercial Register Regulations and Chapter X of the current Public Limited Companies Law and other regulations about the bond issuing and, until the aggregated total limit of nominal 50 million Euros, the faculty of issuing simple, exchangeable, and/or convertible fixed securities stock, bonds, warrants and promissory notes, as well as any other instrument of convertible debt with the faculty of excluding completely or partially the shareholders' right of preferential subscription, according to the following conditions:

- (i) The stock issue can be done in one or several times during a maximum period of five (5) years counting from the date of the adoption of this Agreement, without



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the danger of its conversion into shares could be executed after the ending of that period.

- (ii) The authorization is limited to the maximum amount of €50 million nominal, or its equivalent in another currency. This absolute limit of €50 million will be reduced in the same amount that the issue of bonds or other similar stocks according this authorization or other authorizations for the convertible and/or exchangeable bond issue, with or without preferential subscription right.

It is stated that, according with the article 111 bis of the Law 24/1988, of July 28th of the Stock Market, it is not applicable to the Company the limit of bond issue of other values that recognizes or creates debt, established in the article 282 of the Public Limited Companies Law.

- (iii) The issued stock can be bonds, warrants, loan or other kind of convertible debt into shares, promissory notes or any other stocks with fixed securities, either simple or, like in the bonds case, changeable or not for shares of the company or of any of the Group's companies and/or convertible into Company's shares.
- (iv) The delegation to issue stocks will be extended, as wider as it is required by Law, to the settling of the different economic terms, regime, aspects and conditions of each issue. In particular and just to enunciate it but without limitation, it will correspond to the Company's Board of Directors to determine for each issue: the nominal value; type of issue; in the case of the warrants or similar stocks, the issue price and/or bonus as well as the strike price and other conditions applicable for the acquisition or subscription of the underlying shares; reimbursement price, currency of the issue, interest type, repayment, antidilution mechanisms, subordination clauses, issue guaranties, place of issue, listing admission, etc.
- (v) The Board of Directors will be able to determine any proceeding, type, clause, term or condition allowed by law, in relation with the issue, repayment, profitability designation or its conditions, as well as solving all the questions related to the authorized issue, without limitation of attributions.
- (vi) Likewise, the Board will be able to appoint the Commissioner of the Union and to approve the basic regulations that have to rule the legal relations between the company and the Bond Syndicate, being able, according to this, to change or modify the conditions or circumstances initially established.
- (vii) For the case of the convertible and/or changeable bond issue and for the purposes of the determination of the bases and kinds of conversion and/or change, it is agreed to establish the following criteria:
 - a. If the conversion relation and/or change would be fix, the stock issued would be valued by its nominal amount and the shares of fix rate that is agreed about in the Board of Directors agreement, or at the rate determined in the date or dates that are indicated in that Board's agreement, and



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depending on the Stock quote value of the Company's shares in the date/s or period/s that are referred to in the same agreement.

Anyway, the price of the shares will not be lower than the higher between (1) the arithmetical average of the closing prices of the Company's shares in the Continuous Market during the period to be determined by the Board, not more than three months nor less than five days, before the Board of Directors holding date that, using this delegation, approves the bond issue; and (2) the price at the closing of the shares in the Continuous Market the day before the holding of the Board of Directors that, using this delegation, approves the bond issue. In the case of changing for another company's shares (from the Group or not), the same rules will be applied, if appropriate and with the adaptations needed, but referred to the quote of that company's shares in the corresponding market.

- b. If the conversion relation and/or change would be changeable, the price of the shares for the conversion and/or change will be the arithmetical average of the closing prices of the Company's shares in the Continuous Market during a period to be determined by the Board of Directors, not longer than three months nor less than five days before the conversion and/or change date, with a bonus or a discount on that mentioned price per share. The bonus or discount will be different for every conversion and/or change date of issue (or every stretch of an issue), although in the case of fixing a discount on the price per share, this won't be higher than a 30%. In the case of changing for another company's shares (from the Group or not) the same rules will be applied, if possible, with the adaptations that are needed, but referred to the quote of that company's shares in the corresponding market.
- c. According to what is foreseen by the article 292.3 of the Public Company's Law, the bond or other fixed securities stocks will not be able to be changed by shares when the nominal value of those bonds or stocks to convert is lower than the shares to be converted into. It will not be either possible to issue the bonds or stocks that are convertible for a lower amount of their nominal value.
- d. When the conversion and/or change takes place, the share fractions that would have to be delivered to the bonds holder would be round off automatically until the integer immediately lower and each holder will receive in cash the difference that could result.
- e. When one issue is approved according to the authorization mentioned in this Agreement, The Board of Directors will issue a Report developing and fixing, from the criteria previously mentioned, the bases and methods of conversion that are specifically applicable to the mentioned issue. This Report will go with the corresponding Accounts Auditory Report mentioned in the article 292 of the Rewritten Text by which it is approved the Limited Public Companies Law and, if appropriate, the Report referred



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to in the article 293.3 d. of the same legal body.

- (viii) In any case, the delegation for the bond or convertible and/or changeable bonds will include to let know but not limiting:
- a. The faculty, according to the article 293.3 of the Public Limited Company's Law, of excluding the right of preferential subscription of shares, bonds or convertible and/or changeable bonds holders, when that is necessary to gain financial resources in the international markets or when somehow is required by the social interest.

In any case, if the Board of Directors would decide to abolish the preferential subscription right in relation with a specific issue of bond or convertible and/or changeable bonds that eventually decides to execute under this authorization, it will issue, at the same time of the issue approval and according to the article 293 of the Public Limited Company's Law, a report giving the details of the specific reasons of social interest that justify this measure and it will follow the auditor accounts report, different from the Company's Auditor, appointed by the Commercial Register, in which a technical judgment is given about the reasonability of the contents of the management report and about the suitability of the conversion relation and, if appropriate, of their adjustment formulas, to compensate an eventual dilution of the economic participation of the shareholders. Those reports will be at the shareholders disposals and told about in the first General Meeting held after the issue agreement.

- b. The faculty of increasing the capital within the needed amount to meet the conversion applications. This faculty will be only carried out if the Board of Directors, after adding the increased capital to meet the bond or convertible bonds issue and the remaining capital increases that may have agreed under the authorizations eventually granted by the Shareholder Meeting, does not surpass the limit of half the amount of the foreseen share capital in the article 153.1 b) of the Public Limited Company's Law.

This authorization to increase the share capital to meet the stock conversion includes the faculty of issuing and circulating in one or several times its representative shares needed to carry out the conversion, as well as, according the article 153.2 of the Public Limited Company's Law, of rewriting the article 5 of the Articles of Association related to the amount of the share capital and to the number of circulating shares and, if appropriate, of canceling the part of that increase of capital that wasn't needed for the conversion of stocks into shares.

According to the article 159.4 of the current Public Limited Company's Law, in the capital increase that the Board of Directors carries out to meet those applications of conversion or exercise, will not be place for the preferential subscription right of the Company's shareholders.



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- c. The faculty of developing the bases and modalities of conversion and/or change established in the previous section (vii) and, particularly and in its widest terms, the one of determining the moment of the conversion and/or change, that could be limited to a predetermined period, the ownership of the conversion and/or change right, that could be attributed to the Company or to the bondholders, the way of satisfying the bondholder (by conversion, change or even a combination of both techniques, that he could choose on the execution moment) and, in general, as many extremes and conditions are needed or convenient for the issue.
- (ix) The Board of Directors is also authorized, by also a 5 year period, to grant, on behalf of the Company, the stocks issue of fixed securities of its subsidiary companies.
- (x) The foreseen rules in the previous sections will result of the application, *mutatis mutandi*, in the case of *warrants* issue or other similar stocks that could give the right to the subscription of new issued shares of the Company, covering the delegation of the widest faculties, reaching the same previous numbers, to decide what it is taken as convenient related to those stocks.
- (xi) The convertible or changeable stocks and *warrant* holders will have as many rights as are acknowledged by the current regulations.
- (xii) The Board of Directors, in the consecutive General Meetings held by the Company, will inform the shareholders about the use that, if so, it has made until that moment of the faculties delegation that is mentioned in this Agreement.
- (xiii) If it would be prescribed according to the law, the Company will ask for the admission to negotiate in secondary markets which are official or non official, organized or not, national or foreign, of the bonds, *warrants* or other values that are issued under this delegation, authorizing the Board to arrange and act accordingly to what is needed for the listing admission before the competent organizations of the different national or foreign stock markets, giving as well as many guarantees or compromises that are required by the current regulations.

Under what it stands in the article 27 of the Commercial Stock Markets Regulations, it is expressly stated that, in case that it would be asked for after the exclusion of the issued stocks listing under this delegation, this will be adopted with the same formalities that this article mentions and, if so, the interest of the shareholders and the bondholders that go against or don't vote the agreement, fulfilling the established requirements on the e Public Limited Company's Law and concordant dispositions, all these meeting what stands in the mentioned Commercial Stock Markets Regulations, in the Stock Market Law and in the dispositions that develop it.

- (xiv) It is given authorization to the Board of Directors to be able to replace any of the members so that in each moment they form part of it, jointly or severally, the delegated faculties that this Agreement refers to.



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This authorization leaves without effect any authorization given to the Board of Directors to issue convertible and/or changeable bonds for shares of the Company in any General Shareholder Meeting held by the Company.

SEVENTH:

To authorize the Board of Directors of LA SEDA DE BARCELONA, S.A. for a period of five years, under the article 75 of the Rewritten Text of the Public Limited Companies Law, to acquire derivatively shares of the Company, directly or through dominated companies, as well as their transfer counting from this date and with the limit of the 10% of the share capital, in cash buying-selling conditions and for the equivalent price of the application's listing one; leaving without effect, on the amount not used, the given authorization with the same purpose by the last Ordinary General Shareholder Meeting.

EIGHTH:

To delegate in the Board of Directors of the Company, the widest faculties to register, formalize and adopt as many agreements as needed to carry out, develop, interpret and rectify the adopted agreements of the General Meeting, as well as to replace in third all or part of those faculties. To these effects, the wide faculties that are required legally are expressly delegated in the Chairman and the Deputy Chairman of the Board of Directors.